

# COUNTY OF YORK

## MEMORANDUM

**DATE:** March 8, 2002 (BOS Mtg. 3/19/02)

**TO:** York County Board of Supervisors

**FROM:** James O. McReynolds, County Administrator

**SUBJECT:** Cost Participation Agreement with Wal-Mart (Cedar Valley)

The County has made significant infrastructure investments in the Lightfoot Corridor to stimulate economic development. In the mid 1990's, two public well facilities, approximately two miles of a water distribution line, along with approximately two miles of force main, were constructed. Since this time, the County has attracted Lowe's, Days Inn, Lightfoot Plantation, Williamsburg Hospital, and now Wal-Mart.

As part of the planning process, a regional pump station has been envisioned since the beginning to convey flows from a defined service area to the large diameter 18" force main. The pump station has been included in the Economic Development Section of the Utilities Strategic Capital Plan since 1999. It was determined that the first major development to locate in the Lightfoot Corridor would be responsible for constructing the regional station under a cost participation agreement with the County. Lowe's, being the first company, submitted a development plan showing the site improvements along with a pump station lot. However, soon into the development process, Lowe's and the County realized that design and construction of the regional station would not meet Lowe's targeted opening date. The County granted permission to Lowe's to design and construct a temporary station and force main until such time that the regional station was operable.

Wal-Mart then became the next business in the service area to submit development plans. Kahn Development, Wal-Mart, and the County agreed upon the location of the pump station, and the design of the station continued. The estimated cost of the pump station is \$425,000 that is designed to provide service to approximately 133.5 acres as shown on Attachment A. The fairest arrangement to share the construction cost of the pump station among the prospective developers was to simply divide the estimated cost of the station by the 133.5-acre service area, resulting in a cost per acre share of \$3,184. Lowe's, along with the design of the station, has already contributed \$45,000 towards the construction for their 14-acre site. Wal-Mart's site is 23.5 acres; therefore, based on the construction estimate Wal-Mart's share is \$74,824. In addition, Wal-Mart has agreed to be responsible for constructing the pump station in accordance with the approved "Cedar Valley Pump Station" plans prepared by CEI Engineering Associates, Inc.

Upon the completion of the pump station and the issuance of the "Certificate to Operate" from the Commonwealth of Virginia State Health Department, the County will reimburse Wal-Mart the actual cost of the construction of the pump station minus Wal-Mart's share. Based on the estimates, the reimbursement to Wal-Mart will be \$350,176. The approved budget of the Water and Sewer Extension Fund includes funds sufficient for the completion of this project. As development occurs within this service area, the County will

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continue to receive reimbursements for the regional station along with the appropriate sanitary sewer connection fees.

I recommend adoption of proposed Resolution R02-67, which authorizes the execution of a sewer extension agreement with Wal-Mart and the construction of the pump station by Wal-Mart on the terms and conditions outlined in this memorandum.

Woodward/3241:mw

Attachments:

- Map of Service Area
- Cost Participation Agreement
- Proposed Resolution R02-67